

275.525 Loans to members and managers by nonprofit limited liability company prohibited -- Exception for some business entities.

- (1) Unless a nonprofit limited liability company has only business entities formed for a nonprofit purpose as its members, no loan shall be made by the company to its members or managers, and any member or manager who assents to or participates in the making of a loan violating this prohibition shall be liable to the company for the amount of the loan until its repayment.
- (2) No loan shall be made by a nonprofit limited liability company to its managers, and any member or manager who assents to or participates in the making of a loan violating this prohibition shall be liable to the company for the amount of the loan until its repayment.

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 34, sec. 49, effective June 24, 2015. -- Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 10, effective July 15, 2010. -- Created 2007 Ky. Acts ch. 137, sec. 10, effective June 26, 2007.

Legislative Research Commission Note (7/15/2010). 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."